

The Commercial

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THE WHEAT SITUATION.

This is the time of year when wheat prices are influenced principally by the crop prospects, and as may be expected, a vast amount of "information," of a more or less contradictory nature, is raked up from one quarter and another, and made to do duty in bulling or bearing wheat. The sharp advance in wheat in United States markets a short time ago, was due to unfavorable reports concerning the winter wheat crop, and to the lateness of the season in the spring wheat regions of that country. Later, however, spring wheat prospects in the United States have greatly improved, and with easier markets and fair crop prospects in other countries, the feeling has been more nervous and unsettled. At present the outlook for the spring wheat crop on this continent is good, though there is yet plenty of time for serious impairment of prospects. Storms, drought, excessive rain, insects, etc., have all time to get in their work of destruction. Neither is fall wheat entirely out of danger, for although it will be a very short time until winter wheat will be in the market, yet until the grain is actually secured, the situation is always liable to change. Crop estimates can therefore only show the present situation. One feature which generally exists in considering the wheat situation at this time of year, is usually to underestimate the crops, thus increasing the bullish influence in wheat markets, and this is a feature which must be guarded against.

Recently a great deal of figuring has been done as to the probable wheat crop in the United States, based upon the last Government crop report. The June report of the department places the condition of winter wheat at 73.3 per cent. against 84.9 per cent. at the same date last year. This makes the condition over eleven points under last year, when the average yield per acre was 14.25 bushels. But in addition to the decline in condition on June 1st. as compared with June 1st last year, the area is said to be about 1,750,000 acres less this year than last. The total area is placed at 22,470,000 acres, against 24,221,000 acres last year. Taking the condition this year, at the same ratio as for last year, the average

yield for 1888 would be 10.44 bushels per acre, or a total of 234,587,000 bushels, which would be 58,243,000 bushels less than last year. The Cincinnati *Price Current* thinks that the Government estimate is probably too high, and this well informed journal places the probable yield of winter wheat for 1888 at 225,000,000 bushels, or about 65,000,000 bushels less than last year.

According to the Government report, the area of spring wheat has been reduced one per cent. Last year the spring wheat averaged 12.2 bushels per acre, and the average for five years has been 12.9 bushels per acre. The largest yield for five years was 14 bushels per acre, in 1884. Present prospects are that spring wheat will be fully up to the average, the condition having materially improved since the publication of the Government report, especially in the northwestern districts. A grasshopper scare is exciting apprehension in Minnesota, and results are awaited with anxiety. About 13 bushels per acre is considered as the probable yield of spring wheat, but it is too early to estimate the yield with safety. Last year the spring wheat yield was 163,000,000 bushels, from which deduct one per cent. decrease in acreage sown this year, and we have 161,370,000 bushels, providing the average yield is the same as last year. The total estimated yield of winter and spring wheat for 1888 is therefore generally placed at 385,000,000 bushels. Now, considering that these figures are likely to turn out approximately correct, it will be seen that the surplus of wheat in the United States will not be very large, estimating home requirements at 350,000,000 bushels. About 50,000,000 bushels would be the maximum surplus for export, against an annual average export of about 127,000,000 bushels, including flour equivalent to wheat. Present prospects are therefore that there will be no shortage of wheat on this continent for the next crop year, but that the surplus for export will be very small. The question of prices will therefore depend largely upon the requirements of importing countries. If these wheat importing countries will be able to obtain all the wheat they require without drawing upon America, it is not likely that prices here will be very much higher. But the probability is, that if the crop in America does not improve in prospects, foreign importing markets will be obliged to advance prices in sympathy with the

situation here. Only in the event of an unusually abundant crop in other wheat growing countries, could it be expected that the probable shortage in America would not advance prices. What wheat prospects are in foreign countries it is difficult to determine at the present time. It is admitted that in Britain and Europe, the season is very backward, but nevertheless crop prospects, so far as known, are not unfavorable. In Britain the yield is expected to be two or three bushels per acre under the average. In France, the largest wheat producing country in Europe, the crop is two weeks later than usual. Otherwise prospects are favorable for an average crop. In Austria-Hungary, Italy, Roumania and the other Danubian provinces, the prospects are said to be good. Russia, which country produced a large crop last year, has also favorable prospects for a good average crop. Australia reports quite an increased yield, though the total is never large. In India, the great bugaboo of American wheat interests, the yield is reported to be about 4,000,000 bushels in excess of last year. Outside of America, crop prospects are therefore generally considered favorable, though in Europe there is the serious extra risk incident to the very backward season. The general conclusion to be drawn from the crop outlook is, that average prices for the next crop year will rule somewhat higher than for the crop year now drawing to a close, providing present crop estimates are realized. Any serious injury to the crops either in Europe or America, between now and harvest, would certainly cause a sharp advance in prices. The Indian and Australian crops are harvested, and California wheat will be coming into the market by this time, so that these crops are safe. Interest for the next few weeks will therefore be centred mainly upon the spring wheat crop of America, east of the Rocky Mountains, and the crops in Great Britain, France, Russia, and other European countries.

WESTERN REPRESENTATION.

It is now fairly evident that Western Canada will be given a representative in the Dominion Cabinet. Up to the present time it has been the custom to confine selections for the Cabinet from among representatives of the eastern provinces. The injustice of this course has been manifest to all, but though the claims of the West have been continually pressed upon